LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7930   **DATE PREPARED:** Feb 16, 1999
BILL NUMBER: HB 2028   **BILL AMENDED:**   Feb 15, 1999

SUBJECT: Private investigators and security guards.

FISCAL ANALYST: Bernadette Bartlett
PHONE NUMBER: 232-9586

FUNDS AFFECTED: **X**   **GENERAL**   **IMPACT:** State
                   X   **DEDICATED**
                           FEDERAL

Summary of Legislation: This bill changes the name of the Private Detectives Licensing Board to the Private Investigator and Security Guard Licensing Board. The bill makes conforming amendments and other changes, including the following: (1) Revising private investigator and security guard qualifications for licensure. (2) Specifying types of licenses. (3) Allowing reciprocity with other states. (4) Setting forth qualifications for licensing of security guards. Provisions allowing for certification of polygraph examiners by the State Police Department are moved to the section of the code pertaining to the State Police.

Effective Date: July 1, 1999.

Explanation of State Expenditures: The Professional Licensing Agency provides administrative support for the Private Detective Licensing Board. The proposal may result in an increase in expenditures for the Board. Changing the name of the Board will have an impact to the extent that the Agency will have to change stationery, forms, and other supplies that contain the old name. The Agency will also need to modify rules and procedures governing private investigators and security guards and notify the public of the changes. Adding another board member will result in an annual increase of an estimated $1,350. The Agency, however, should be able to absorb these additional costs given its current budget.

Explanation of State Revenues: This bill revises qualifications for licensure as a private investigator, allows for reciprocity in other states, and provides for the licensure of security guards. The revisions in the qualifications for licensure as a private investigator and allowing for reciprocity in other states should not have a significant fiscal impact.

With respect to the licensure of security guards, currently security guards, or companies that supply security guards, fall under licensure regulations for private detectives. Essentially, the Agency should receive about the same amount of license fee revenue as a result of this provision as it does now. However, since the qualifications for a security guard are less stringent than currently required of private investigators, it is

possible that more individuals may be interested in applying for a security guard license. The Agency could see a slight increase in license fee revenues resulting from the increase in requests for a security guard license. The specific impact, however, is indeterminable.

This bill provides that a $200 license fee is assessed if an individual applies for a license for both a private investigator and a security guard. Currently, applicants for a private detective license pay a $100 fee. Since the bill now allows for licensure as a security guard, it is possible that there will be some individuals who are currently licensed as a private detective who may want to also be licensed as a security guard. This provision could also result in a slight increase in fees collected for licensure. The specific impact is indeterminable. License fees are deposited in the State General Fund.

Certain violations constitute a Class A infraction. If additional court cases occur, revenue to the State General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is $10,000 which is deposited in the State General Fund. If court actions are filed and a judgment is entered, a court fee of $70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Certain violations constitute a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the State General Fund could increase. The maximum fine for a Class A misdemeanor is $5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, county or municipal court (courts of record), 70% of the $120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the State General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the State General Fund.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately $44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict or a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A $3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A $2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Professional Licensing Agency and the State Police Department.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Michelle Smith, Fiscal Officer, and Charles Hear, Legal Counsel, Professional Licensing Agency (317) 232-2510 and (31) 232-5954 respectively.